

Automated Clearing House (ACH) Fraud Protection Services

ACH Positive Pay Service

PNC's ACH Positive Pay Service (APP) is a fraud protection service available through PINACLE®, PNC's online and mobile banking platform for businesses and institutions. ACH Positive Pay offers the ability to view, filter and approve or return incoming ACH debit transactions (Debit Entries) to the customer's account. When using all available capabilities, APP allows the customer to tell PNC which Debit Entries to allow to post to the account and which Debit Entries to block and return. The customer tells PNC which Debit Entries to block and return by establishing Payment Rules, or through a decision made by an Authorized User. APP may not be used to block or return Excluded Items, as defined below.

APP Payment Rule Authorization:

The customer may select and configure Payment Rules to automatically approve some incoming Debit Entries, while identifying other Debit Entries as suspect transactions (each a Suspect Entry). Each incoming Debit Entry is presented against the customer's Payment Rules to determine whether the Debit Entry should be allowed to post automatically or whether it should be presented to the customer as a Suspect Entry.

Communication:

If PNC's primary means of communication with the customer is unavailable for any reason, and PNC is unable to present a Suspect Entry, PNC will contact the customer to make alternative arrangements. If the customer's primary means of communication with PNC is unavailable for any reason, the customer must notify PNC immediately to make alternative arrangements. If PNC receives conflicting instructions from the customer, PNC may follow the most recent instruction received, or, at PNC's option, PNC may return the Debit Entry, without liability, until the conflict is resolved to PNC's satisfaction.

Customer Obligations:

- The customer must agree to and understand the applicable deadlines and return defaults associated with the customer's Payment Rules and accounts.
- The customer must ensure that appropriate staff have access to APP to make decisions about Suspect Entries.
- The customer may create or change a Payment Rule within APP at any time. Any new Payment Rules, changes to existing Payment Rules or the deletion of existing Payment Rules may require secondary approval and will not take effect until the next banking day after submission and approval.

If a pending Debit Entry meets all the criteria of the customer's Payment Rules for the account, the Debit Entry will post to the account on the settlement date. If a pending Debit Entry does not match all the criteria of the customer's Payment Rules for the account, or if no Payment Rules have been created, the incoming Debit Entry will be identified as a Suspect Entry and will be presented to the customer to approve or return via PINACLE. If the customer instructs PNC to return a Suspect Entry, or if the customer does not instruct PNC what to do by the applicable deadline, and the customer has selected a 'Return' default instruction for Suspect Entries, PNC will return it and it will not post to the account. If the customer instructs PNC to pay a Suspect Entry, or if the customer does not instruct PNC what to do by the applicable deadline, and the customer has selected a 'Pay' default instruction for Suspect Entries, PNC will post the Debit Entry to the account on the day the Suspect Entry is presented. If the customer fails to fund the account on the same banking day that PNC posts a Debit Entry, PNC may return one or more of the Debit Entries.

The customer may contact PNC to change the default instruction on the account. PNC will use reasonable efforts to implement the new default instruction within five (5) banking days of receiving all details required to carry out the request; however, the customer must check the Account Status Report within APP to verify that the default instruction has been changed.

Limitation of Liability:

In addition to the limitations of liability stated elsewhere in this Agreement, PNC's liability to the customer in connection with this ACH Positive Pay Service is limited as follows: PNC will pay or return Debit Entries and Suspect Entries in accordance with this Agreement, which shall be deemed to be the exercise by PNC of ordinary care, whether or not the Debit Entry or Suspect Entry has been actually authorized by the customer. If PNC pays a Debit Entry or Suspect Entry that should have been returned because of PNC's failure to comply with these Terms and Conditions, then PNC's liability shall be limited to the lesser of (a) the amount of said Debit Entry or Suspect Entry and (b) Customer's actual, direct losses from such payment; provided that PNC will have no liability to the customer to the extent that such payment (i) results from the customer's failure to exercise ordinary care or (ii) pays an obligation the customer owes to a third party or (iii) the customer otherwise receives a benefit from such payment. If PNC returns a Debit Entry or Suspect Entry that should have been paid because of PNC's failure to comply with this Service Schedule, PNC's liability shall be limited to the customer's actual, direct losses from such return; provided that PNC will have no liability to the customer if such Debit Entry or Suspect Entry was authorized by the customer at the time of its origination, the customer did not have sufficient available funds in the Account to pay the Debit Entry or Suspect Entry, PNC was required by law to return the Debit Entry or Suspect Entry or PNC had a right to return the Debit Entry or Suspect Entry for any other reason under the terms of this Agreement.

ACH Debit Block Service

PNC's ACH Debit Block Service allows all Debit Entries to be blocked from posting to the account, other than Excluded Items, described below. ACH Debit Block does not allow the customer to review and approve or return Debit Entries or provide Payment Rules. If the customer implements Debit Block on the account, PNC will not accept telephone instructions to approve Debit Entries for payment, and PNC shall not be liable for any Debit Entries that are returned and thus unpaid due to implementation of the Debit Block feature. ACH Positive Pay may be used to view a report of returned Debit Entries, although the use of APP for reporting purposes is optional.

Excluded Items:

APP and Debit Block cannot be used to monitor or block the following items (Excluded Items):

- Certain debits initiated by PNC including check printing fees and debits originated by the customer's use of PNC tax payment services such as Tax Express.
- PNC ACH settlement Entries if the customer is originating ACH Entries. This would include ACH return settlement Entries.
- Reversing Entries received to correct erroneous Entries.

ACH Converted Check Entries:

APP and Debit Block also allow the customer to establish a default instruction for converted check Entries. The customer can use either APP or Debit Block to screen converted check Entries (such as ARC, BOC, RCK and POP standard entry class (SEC) codes), or the customer can have converted check Entries bypass APP or Debit Block to be screened through PNC's Positive Pay Service for checks. The customer's default setting for screening or bypassing converted check Entries will be determined during implementation and can be changed by contacting PNC. The customer's default setting for screening or bypassing converted check Entries cannot be changed by the customer within APP or within Debit Block reporting via APP. If the customer chooses to monitor converted check Entries through the Positive Pay Service for checks, the Positive Pay for checks Service Schedule will apply.

Universal Payment Identification Code (UPIC) Service

PNC's Universal Payment Identification Code Service (UPIC) enables the customer to receive electronic payments through the ACH Network without revealing the account number or PNC's routing transit number to payers. Instead, the customer may provide payers a UPIC and Universal Routing and Transit Number (URT). UPIC can be used for ACH Credit Entries only, and any related Return or Reversal request. Payers will not be able to use the UPIC and URT to initiate ACH Debit Entries from the account.

Upon receipt of an ACH Credit Entry containing the customer's UPIC (a UPIC Entry), the ACH Operator will convert the UPIC and URT to the customer's account number and PNC's routing and transit number, respectively, and send the UPIC Entry to PNC for credit to the customer's account, in accordance with applicable NACHA Rules. The customer's UPIC will be considered to be the account number for purposes of the provisions of this Agreement and applicable law pertaining to reliance by banks on account numbers in processing transactions.

PNC may terminate the customer's use of the UPIC at any time upon notice to the customer. In such event, the customer may elect to continue to receive payments by ACH by giving the customer's actual PNC bank account number and PNC's routing transit number to payers or by making alternate payment arrangements with payers.

Customer Obligations:

- The customer must give the correct UPIC and URT to payers.
- The customer agrees that information related to a UPIC, including the customer's name and account number, may be released to a party involved in the processing of UPIC Entries, if needed to resolve a dispute concerning an ACH Entry or UPIC Entry transmitted or settled through the ACH Network, and to the ACH Operator.